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**Press Corps Topic I**

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# Topic I: Addressing the Effects of Private Corporation Funding on the Breadth and Depth of Coverage of Controversial Global issues

## Introduction to the topic

Jim Morrison, lead singer of American rock band The Doors, famously said that "Whoever controls the media controls the mind". With more and more of the media being controlled by a shrinking number of corporate entities, the public is in great danger of losing their autonomy.

Over the last 100 years, distribution of news has changed significantly, and with this, the control has changed hands too. The rise of the internet means we give less time to our news, and the freedom to pick and choose which news stories we read has led to high volume and low quantity news sources gaining traction (M Libraries). With this, corporate media firms and technology companies have fought their way into the news sector, diminishing the voices of reliable and trustworthy news sources that preceded them.

Globally, many of the primary news sources for a country are owned by a single private family. For example, in Kazakhstan, seven of the twelve largest media outlets are owned by the President's daughter and son-in-law, and in Saudi Arabia, two of the five most popular news sources are controlled by the Royal Family. In countries like these which rank low in terms of press freedom (155 and 170 respectively (Reporters sans frontières)), a small group of families are able to control the media consumption of the public through manipulation of their journalists. This is not only true in Global South nations; the US and the UK also have been accused of manipulation.

While this problem is globally engrained and has been for decades, a new problem of corporate control is rising: publicly traded media monopolies. Eight of the top fifteen news outlets in the US are traded on the stock market, forcing them by US law to maximise profit returns for shareholders (Hallman). With profit motivation focusing on driving clicks and subscription services, good journalism is not prioritised, meaning many of these outlets pander to their audiences rather than tell the truth consistently. This problem also creates a positive feedback loop: as corporations grow economically, they can take a larger share of the market, which leads to more growth and control.

These two forms of private corporation funding in the media lead to varying results. Family-run media companies will often push a specific agenda for their own benefit, sometimes pushing regressive legislation or a continuation of the status quo to maintain their power. Shareholder-owned private companies do not have this same agenda but instead pander to their audience, telling them what they want to hear rather than the truth. While different in methods, these two forms of private ownership are impacting the way we read media, and through this, manipulating public opinion to the will of a small group of powerful individuals.

## Is media ownership concentration important?

Media ownership concentration refers to the phenomenon whereby a small group of stakeholders controls an increasingly large segment of mass media. This phenomenon is common around all nations: in the USA, most media produced is

controlled by 6 main companies (Thompson); in China, “mass media industries have very high concentration indices due to the strong ownership role of the government” (Noam 1); and in Egypt, over half of the media is controlled by the state (Media Ownership Monitor). The issue associated with media ownership concentration is it allows a small group to influence a large amount of the thought within a country. If these actors are self-interested, there is a danger that they could influence public opinion to benefit themselves either economically (in the case of corporate media entities) or politically (in the case of the state or other politically involved players).

Despite these dangers, there is an argument that focusing on the ownership concentration without context does not give a fair impression of the freedom of the media. This is because it does not consider who the small group controlling the media is. In an interview, Rodney Benson explains his view that media freedom is more dependent on who that group is. He references the US specifically, explaining that despite their (relatively) low media concentration, they have not achieved a high level of media freedom because their main news outlets are owned by stock market shareholders (Benson 71-77).

By the nature of the stock market, corporations who sell their shares are legally required to maximise their profits, which can sometimes be in direct opposition to sharing honest and informative news around controversial topics. This problem also impacts news corporations that have a dominant shareholder, as they remain profit-motivated. However, these corporations are also controlled by a shareholder who may have other ulterior motives when producing news reports, especially the political biases of the owners.

When considering how private funding impacts news coverage, considering both the size and the nature of the group is important for understanding the issue. Finding out where the corporate money is coming from, and what motivation it has, is fundamental.

### *Polarisation of journalism through private funding*

A controversial global issue that divides the media is climate change. While most scientists agree that climate change is being augmented by human activity, many media outlets play the role of a “contrarian”; speaking against general thought in an effort to divide opinion, or to push for that alternative opinion. Interestingly, the issue (though non-partisan in nature) is often associated with political leanings, with more conservative people more likely to be sceptical about climate change.

Examples have already been discovered of “contrarian news sources” being corporately funded with the goal of influencing public opinion. With a range of companies benefitting from current inaction around climate change (oil, transport and construction corporations), they can influence media outlets to produce news that slows progressive policy. This has led to a new wave of lobbying firms in the US who push contrarian ideas for this reason.

A study by Justin Farrel attempted to find quantitative evidence for this trend. In his research, he found that corporately funded articles were more likely to reference ideas like “Climate Change comes in cycles” and “Co2 is good”, and were less likely to reference “Fuel usage”. These results show that corporate investment actively tries to polarise the climate change debate for its own benefit.

### *Public funding methods*

One established method that a state can use to increase media freedom and reduce the impact of corporate funding is to give government support to private news corporations. By removing economic pressure from these corporations, they are then more free to tell honest, non-biased news stories, rather than generating profit or peddling the ideas of the corporate leaders.

There are four distinct ways a government can support private news outlets:

	General	Selective
Direct	Cash payments to every member of the industry	Cash payments to selected corporations
Non Direct	Subsidies and tax breaks for the whole industry	Subsidies and tax breaks for selected corporations

Direct or non-direct refers to whether the economic support is a transfer of money or another method (like tax breaks). General or selective refers to whether the support is accessible for every industry player or just some chosen by the government. All four of these ways have their advantages: direct payments are easy to manage and can be modified very easily, but non-direct is thought to show less interference from the government in private matters. Also, general methods are seen as more fair, whereas selective methods can do more to change the structure of an industry e.g to increase competition where one general power is dominant.

Government funding for private news outlets presents a new challenge: state bias in the news. However, evidence shows that this is not generally the case; the countries that do subsidise their media outlets rank higher on the media freedom index than those that do not (Schweizer et al.). To make sure this is achieved, states can create a set of requirements to receive this funding. By guaranteeing certain standards are met before granting the support, you can promote media freedom and honest news. These standards can include a requirement for a certain amount of content from independent editors, a limit on the amount of advertising revenue, as well as restrictions on who owns and controls the business.

### *Charitable donor funding methods*

Another way of reducing the corporate control of media is to rely on philanthropic donors. With highly detailed news about significant current affairs generally not being profitable, it is often necessary for large donors like the Bill and Melinda Gates foundation to allow these stories to run. However, case study evidence suggests that these donors can also impact the content of the media; like owners, their political views can be reflected in the sentiment of the story. As these donors are often multi-millionaires or billionaires, some have suggested they control the media to be more pro-capitalist and pro-free market.

A 2017 study by Scott, Bunce, and Wright investigated the transfer of IRIN (a humanitarian news agency) from being UN-ran to being funded by a Hong Kong-based philanthropy firm (Scott et al. 163-170). The study found that the content was not impacted greatly by the move in terms of opinions; despite the intentions of the leadership, they did not increase their criticism of the UN significantly. However, the style of the news changed in order to draw larger audiences. The newsgroup started to produce more news reports of shorter length and concentrated specifically on growing their reader base. This has generally been considered as a good move, as it has allowed more people to access high-quality news.

Beyond the efficacy of donor funding, the necessity should also be considered. If honest, critical, and analytical news cannot exist without the generosity of billionaires, there may be a systemic issue within journalism. While the study showed that philanthropy had a good impact on the news outlet, there is still a power dynamic that the philanthropists could exploit for their own benefit. Therefore, working out how to implement philanthropy in the media, if at all, is worth considering.

### Questions to Consider

How do we determine when the media is free?

How are corporations impacting the autonomous reporting of the news agencies?

How can we guarantee that government support leads to more independent news?

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